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SUBJECT: MEDIA REACTION: U.S. ARMS SALES TO TAIWAN

Summary: Taiwan's major Chinese-language dailies focused February 9 news coverage on developments in cross-Strait relations, on the year-end five city and county magistrates' elections; and on the legal cases involving former President Chen Shui-bian and his family. In terms of editorials and commentaries, a column in the pro-independence "Liberty Times" discussed U.S. arms sales to Taiwan and said "the Obama administration's decision symbolized that Washington does not want to submit itself to China's intimidation and that it has adhered to its obligations and commitments pledged under the Taiwan Relations Act." An editorial in the pro-independence, English-language "Taipei Times" said Beijing is now facing a dilemma of "wanting to punish" both the Boeing Company and Airbus "over sales to Taiwan, but is unable to do so." A "Taipei Times" op-ed by John Bolton, former U.S. ambassador to the UN, criticized the Obama administration's China policy for being "reckless." A separate "Taipei Times" op-ed, written by former AIT chairman Nat Bellocchi, said the U.S. arms sales to Taiwan was "the right move at the right time." End summary.

A) "Why Does China Get Hysterical?"

Media commentator James Wang wrote in a column in the pro-independence "Liberty Times" [circulation: 680,000] (2/9):

"... Arms sales are a government to government issue, and the reason behind China's protests was that Taiwan is a part of China. Yet instead of 'ordering' Taiwan not to buy [those weapons], Beijing only asked the United States not to sell arms [to Taiwan], pledging also to boycott the [U.S.] private companies manufacturing the relevant weapons. The move only inconsistently and ridiculously highlighted the fact that Taiwan is not a part of China. ...

"Given his shortsightedness, Ma Ying-jeou knows nothing but power, position and fierce struggling, and he resisted [Taiwan's] arms procurements when he was out of office. Now he said he was pleased with the second-rate arms sales package approved by the Obama administration, believing it would help to build Taiwan's confidence when seeking to improve relations with mainland China. This was just nonsense. China has been threatening the United States all the time -- a move aimed at cutting down [U.S. arms sales to Taiwan], and it has at least achieved the goal of stopping Washington from selling F-16 C/D fighter jets and submarines [to the island].

"The Obama administration's decision symbolized that the United States does not want to submit itself to China's intimidation and that it has adhered to its obligations and commitments pledged under the Taiwan Relations Act. But the weapons [Washington] decided to sell are limited only to items necessary for Taiwan's defense in its offshore waters and within its borders, thus further curtailing the island's strategic options for self defense. The Ma administration has failed to buy the priority arms items Taiwan needs to buy; what it gets is nothing but the second-rate products that Washington has long promised to sell but used to be boycotted by the KMT. This is the failure of the Ma administration; Ma and the KMT legislators were derelict in their duties and treated [our] national security as insignificant. Indeed they have let the Taiwan people down."

## B) "Beijing's 'Anger' Collides with Reality"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] editorialized (2/9):

"Boeing executives last week seemed worried that a US arms sale to Taiwan -- and Beijing's subsequent threat of sanctions against manufacturers involved in the deal -- would cost it billions of dollars in commercial aircraft sales. Even worse, if China followed through with its threat to deny the US aviation giant access to its lucrative market, it could quickly translate into a windfall for Boeing's main competitor, Airbus. Then Eurocopter, a European company, announced it was selling Taiwan three EC225 helicopters -- the latest model in the Super Puma family -- for US\$111 million, with an option for 17 more. ...

"Now, the copter sale is relatively small compared with the US\$6.4 billion package proposed by Washington, but symbolically its impact could be just as important, given that it is the first military sale from a European company to Taiwan in almost two decades -- an indirect embargo that has lasted almost as long as Europe's embargo on arms sales to Beijing imposed after the Tiananmen Square Massacre in 1989. In retaliation, and given Beijing's propensity for lashing out at anyone who dares treat Taiwan as a sovereign country, one would expect that threats of sanctions against Eurocopter and its parent, the European Aeronautic Defence and Space Co (EADS), would soon follow. But here's the catch -- EADS also happens to own Airbus. And one thing is certain: If China is to meet its civilian aviation needs in the next decade, it will have little choice but to purchase its aircraft from either Boeing or Airbus. No other aircraft manufacturer has the means and economy of scale to produce the types and quantities of aircraft that China will need. China, a relative newcomer in the production of civilian aircraft, is years, if not decades, away from developing the domestic capabilities to produce aircraft in large quantities.

"Beijing, therefore, finds itself in a bind, wanting to punish the two giants over sales to Taiwan, but unable to do so. This could explain why it has yet to make any public expression of anger at Eurocopter (another reason might be that Beijing hopes Europe will soon lift its arms embargo). ... What Boeing and Airbus could soon show us, however, is that when a concerted effort is made by the giants of this world, and when Beijing is denied the opportunity to play one against the other, it is possible to act according to our moral -- and even economic -- predispositions without first having to consult Chinese emperor Hu Jintao and his court. In fact, it is even possible to do so and to survive to tell the story. What is Beijing going to do -- not buy aircraft? Maybe, for once, its rulers will just shut up and let the world be."

## C) "Obama's China Policy Is Reckless"

John Bolton, a former U.S. ambassador to the UN and now a senior fellow at the Washington-based American Enterprise Institute, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (2/9):

"US President Barack Obama's disinterest and inexperience in foreign and national security affairs are nowhere more evident than in his China policy. ... Pursuing competing or inconsistent priorities is hardly new or unusual for the US, given our global commitments and obligations, which make it nearly impossible to pursue any single priority to the exclusion of others. However, Obama's China policy is different -- and potentially deleterious for the US -- because it unfolds in almost random fashion. It is little wonder that Chinese leaders now question not only the US' grip on its own economy, but its grip on international politics as well. ...

"The secret of what's wrong with his foreign policy is what's wrong with his domestic policies. ... Not only are Obama's domestic priorities driving him in the wrong direction with China, perhaps even worse, he seeks the wrong answers from China even on national security issues. US policy on Iran's and North Korea's nuclear-weapons programs highlights this anomaly. Both former US president George W. Bush's and the Obama administrations have allowed China to escape responsibility for stopping Pyongyang's

nuclear program, something it has the unique capacity to do, given the North's reliance on China for energy, food and other critical resources. ... Many people blame China for pursuing its national interests, but Beijing is just doing what comes naturally. The real question is why the US is not doing the same."

D) "Arms Sales: the Right Move at the Right Time"

Nat Bellocchi, former AIT chairman and now a special adviser to the Liberty Times Group, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (2/9):

"The decision by the administration of US President Barack Obama to approve the sale of an additional package of arms to Taiwan comes just in the nick of time. It does show a realization on the part of the US administration that Taiwan should not be left to fend for itself, but needs both support and encouragement from the US. ... The arms sale has changed that: It is a signal that the US will stand by its commitments under the 1979 Taiwan Relations Act and may help defend Taiwan. Having said that, we may want to ask if the signal is strong enough? This depends on how much further the Obama administration is willing to go. Will it keep the door open to further packages such as the 66 F-16C/D jet fighters requested by Taipei in 2006 or the submarines that have been under discussion since at least 2001? And there might be other items required to redress the increasing imbalance in air and naval power across the Taiwan Strait. In particular, is there anything that has truly addressed the imbalance of missiles across the Strait? It is essential that the US works with Taiwan on these issues. ...

"These developments are prompting a fundamental reassessment among Western governments and companies on the nature of engagement with China. The assumption behind US and European policy toward China until now has been that economic opening would lead to political liberalization. This basic premise seems increasingly less tenable: What we see is the rise of China -- both economically and politically -- accompanied with increasing authoritarianism at home and a willingness to throw its weight around in support of unsavory regimes and causes. ... Against this background, it is also essential that Taiwan clearly shows it wants to remain a free and democratic nation and wants to strengthen its ties with the democratic West instead of moving into the sphere of influence of an undemocratic and repressive China. All too often, economic and business interests push a government in the direction of narrow and short-term gains. Taiwan's government needs to keep a longer-term vision of a free and democratic Taiwan in mind.

"It also needs to be emphasized that peace and stability in the Strait can only be achieved if Taiwan maintains strong political, economic and social ties with the many democratic countries, especially its neighbors, and keeps a healthy distance from China. The new arms sale by the Obama administration is a good beginning to help make this possible."

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